



February 24, 2014

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STATUS OF APPROPRIATION BILLS

Subcommittee Bills		
Transportation	SF 2130	Passed Senate Appropriations – 2/6
Other Bills		
LIHEAP Supplemental Appropriation	SF 2110	Passed Senate – 2/11

STAFF CONTACT: Mary Shipman (515-281-4617) mary.shipman@legis.iowa.gov

REVENUE ESTIMATING CONFERENCE (REC) MEETING

REC Meeting Date Set. The REC is scheduled to meet on Thursday, March 20, 2014, at 2:00 p.m. in Room 116 of the State Capitol Building. The Conference will review the FY 2014 and FY 2015 revenue estimates.

STAFF CONTACT: Holly Lyons (515-281-5279) holly.lyons@legis.iowa.gov

2013 FACTBOOK PUBLISHED

Factbook Published. The Legislative Services Agency has published the [2013 FACTBOOK](#) online. The document contains a range of facts, both financial and nonfinancial, regarding statistics on Iowa's government, economy, and populations. There are a variety of color "Fact Maps" created by LSA staff including maps on census data, farmland values, K-12 data, and tax data (property, income, sales, local options). Hard copies will be delivered to legislative leaders, caucus staff, Appropriations Committee chairpersons and ranking members, Ways and Means chairpersons and ranking members and to Fiscal Committee Members. Copies will also be available to all legislators, staff, and the public upon request. Please call (515) 281-5279 or email megan.thompson@legis.iowa.gov.

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APPROPRIATION SUBCOMMITTEES

Subcommittee Meetings. The appropriation subcommittees are meeting on a weekly basis. For more information, see the subcommittee websites listed in the following table. These websites include: committee members, links to subcommittee meeting notices and minutes, and materials distributed.

Subcommittee	Staff
Administration and Regulation	Dwayne Ferguson (281-6561) dwayne.ferguson@legis.iowa.gov Ron Robinson (281-6256) ron.robinson@legis.iowa.gov
Agriculture and Natural Resources	Deb Kozel (281-6767) deb.kozel@legis.iowa.gov
Economic Development	Kent Ohms (725-2200) kenneth.ohms@legis.iowa.gov
Education	John Parker (725-2249) john.parker@legis.iowa.gov Robin Madison (281-5279) robin.madison@legis.iowa.gov
Health and Human Services	Estelle Montgomery (281-6764) estelle.montgomery@legis.iowa.gov Jess Benson (281-4611) jess.benson@legis.iowa.gov
Justice System	Beth Lenstra (281-6301) beth.lenstra@legis.iowa.gov Jennifer Acton (281-7846) jennifer.acton@legis.iowa.gov
Transportation, Infrastructure, and Capitals	Adam Broich (281-8223) adam.broich@legis.iowa.gov Dave Heuton (725-0509) david.heuton@legis.iowa.gov

IOWA PRISON INDUSTRIES – FARM FINANCIALS

Farmland. Iowa Prison Industries (IPI) recently submitted financial statements for farm ground owned by the Department of Corrections (DOC) and the Department of Human Services (DHS) and managed by IPI through an agreement between the two Departments under Iowa Code chapter [28D](#). The IPI files its financial statements on a calendar year basis.

Operating Loss. The IPI reported an operating loss of \$360,000 in CY 2013; this is a decrease of 68.9% compared to CY 2012. The CY 2013 loss is primarily due to grain prices. When prices are high, grain and hay inventory are held at a higher value; this occurred in CY 2012. This increases noncash income. When prices decline, inventory value decreases, and noncash income declines.

Issue Review. Refer to the *Issue Review*, [Financial Analysis of Farmland Owned by the Departments of Corrections and Human Services](#) for additional information regarding farm operations, land value, and potential alternative uses for the land.

STAFF CONTACT: Beth A. Lenstra (515-281-6301) beth.lenstra@legis.iowa.gov

WORKFORCE DEVELOPMENT BOARD MEETING

February Meeting. The Iowa Workforce Development (IWD) Board met on February 14, 2014, at the Iowa Association of Community College Trustees Building in Des Moines. The Board approved a rule change that removed the requirement for gender balance between the Chairperson and Vice Chairperson and stated that the Board will strive for gender balance. The rules continue to maintain the requirements that the positions not be from the same political party and not be from the same interest group (business or labor). The Board is made up of nine voting members.

Employee Misclassification Update. The Board was provided with an update on the [Worker Misclassification Program](#). In the last two years the Misclassification Unit has investigated over 400 tips and in 2013 found 63 employers misclassifying jobs, that impacted a total of 988 workers. This amounted to \$12.6 million in unreported wages paid. These wages represent an estimated \$640,000 in Unemployment Insurance contributions due and \$173,000 in penalties and interest due to the Department for a total of \$813,000. Of this amount, the IWD estimates approximately 25.0% has been recovered. Payments can be made by the employer, and the Department also utilizes liens, monthly statements, the Iowa Department of Revenue, and federal income tax offsets.

Boiler Fees Rate Change. Labor Commissioner Michael Mauro updated the Board on the increases in fees being sought for the [Boiler Safety Fund](#). There are approximately 25,000 boiler or pressure vessel objects located within Iowa. The Boiler Fund currently has four Inspectors that annually conduct about 4,000 inspections, with the remainder of the inspections being conducted by third-party inspectors. Five fees of varying amounts that were initially established in 2005 are each being increased by \$15.

Skilled Iowa. The Board was also provided with performance data and success stories related to the Skilled Iowa Initiative including testing and certification results, internships, and PROMISE JOBS partnerships. These reports are available from the LSA.

Next Meeting. The next meeting of the State Workforce Development Board is scheduled for Wednesday, May 14, 2014.

STAFF CONTACT: Kent Ohms (515-725-2200) kenneth.ohms@legis.iowa.gov

BOARD OF CORRECTIONS MEETING

Meeting. The Board of Corrections met February 7, 2014, at the Central Office in Des Moines. The Board confirmed Kris Weitzell as the new Superintendent of the Clarinda Treatment Complex. This campus includes the [Department of Human Services](#) (DHS) Mental Health Institute (MHI) as well as a [Department of Corrections](#) (DOC) State prison. Director John Baldwin stated this is the first woman warden of a prison that houses male offenders in Iowa.

Director's Report. Director John Baldwin updated the Board on recent activities. He indicated 2014 will be a year of transition for the State prisons at Mitchellville and Fort Madison. The DOC is dealing with final construction issues at both locations; that is a normal part of any construction process. The Director General of Sweden plans to tour American prisons this year; the Mitchellville prison may be included in that tour. The Director expressed deep concerns about the DOC's ability to comply with administrative

rules of the federal [Prison Rape Elimination Act](#) (PREA). He attended a recent meeting of the [Association of State Correctional Administrators](#) (ASCA) where Corrections Directors met with representatives from the [U.S. Department of Justice, Bureau of Justice Assistance](#) to discuss the interpretation of certain rules. Eleven U.S. [Bureau of Prisons](#) (BOP) facilities have been audited; none of them met 100.0% of compliance.

Braille Program. Director Baldwin and Deputy Director Dan Clark met with the [Department for the Blind](#). The Department for the Blind had issued a Request For Proposals (RFP) for braille services. The Iowa Prison Industries (IPI) currently provides these services at the Anamosa State Penitentiary. The Department withdrew its RFP after meeting with the DOC. The IPI staff is working with the Department for the Blind to address its concerns.

Budget Subcommittee. Director Baldwin updated the Board on the DOC presentation to the [Justice System Appropriations Subcommittee](#). That presentation focused on providing services to hard-to-place offenders, mental health, sex offender treatment and supervision, telepsychiatry, and PREA.

Other Items. The Director said there is now a new bargaining unit for corrections training officers represented by the American Federation of State, County, and Municipal Employees ([AFSCME](#)) union. The DOC continues to work with the [Iowa State University](#) landscaping school and is attempting to have students from the school design and develop landscaping for Fort Madison.

State Audit. The Director referenced an email from Allan Thoms, Chairman of the Board of Directors of the [Sixth Judicial District Community-Based Corrections](#) (CBC) District Department. Director Baldwin indicated the DOC is supporting all of the CBC District Departments as much as is possible. The issue is that taxpayers have a right to know how state dollars are spent. There was an unsubstantiated receipt entered into the State budget system by the Sixth CBC District Department. That resulted in an 18-month audit by staff from the [Auditor of State's Office](#). There needs to be adequate accounting controls in place. The Director is meeting with representatives from the Sixth CBC District Department on February 12. A Board member questioned the lack of records cited in the State audit. Bruce Vander Sanden, Director of the Sixth CBC District Department, indicated there should have been records. A Board member requested information on the role of the Board of Corrections in this matter. Director Baldwin said there is a provision in the Iowa Code that permits the DOC to take over and run a CBC District Department, but the DOC does not intend to do so. The DOC is working with the District Department to address the issues raised by the audit. A Board member asked if it was the Board of Corrections responsibility to make sure the Sixth CBC District Department is separated from the nonprofit Community Corrections Improvement Association (CCIA). Director Baldwin stated the Linn County Attorney referred the audit to the [Office of the Attorney General](#), and stated that in the interest of full disclosure, the Linn County Attorney is the brother of the current Director of the Sixth CBC District Department. The Director stated the DOC needs to make sure its contract with the Sixth CBC District Department funds adult correctional services. A Board member asked if it is appropriate for the Board to vote in support of the DOC actions regarding the audit. The Director indicated that was not needed at this time.

Reentry. Deputy Directors Jerry Bartruff and Dot Faust introduced team members and discussed the process of developing reentry programs in the State. Reentry is focused on offenders released from prison to the community as well as offenders under CBC supervision.

Mitchellville. Warden Patti Wachtendorf updated the Board on the recent opening of the new buildings at Mitchellville. On January 21, 2014, staff opened a gate in the fence and the women offenders moved their belongings from the old side of the prison complex to the new side. The medical building is in use, including eye exams, dentistry, and medical clinics. The acute and subacute unit is not in use; the prison is in the process of hiring staff. The assisted living and hospice units were not funded and will not open. The prison plans to start admitting new offenders directly at Mitchellville in March; they will no longer be processed into the prison system at Oakdale. Starting in March, asbestos abatement in the old buildings will be addressed and those buildings will be demolished. New construction will then start on the remainder of the projects.

Shackling. The Board members discussed the shackling issue for restraining pregnant offenders. The Board voted in 2012 for the legislation. The Department registered as opposed to the Bill this year. The Director indicated this a new Board of Corrections and a new Bill. After discussion, Board Chairman Michael Coleman stated that as a matter of process, the DOC needs to support the Board of Corrections. If legislation is introduced that deals with matters previously addressed by the Board, then the DOC needs to bring that to the Board's attention for its review. The Board requested that the shackling Bill ([SF 2019](#)) be added to the Board's March agenda. The Director indicated staff updates the DOC Executive

Team on legislative action via email every Friday. The members of the Board of Corrections will be added to the email distribution list.

More Information. Additional information is available on the DOC website at <http://www.doc.state.ia.us/default.asp> or by contacting the LSA.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.iowa.us

MEETINGS MONITORED

Meetings Monitored. The following meetings were monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
Board of Corrections	February 7, 2014	Beth Lenstra (281-6301)
Workforce Development Board	February 14, 2014	Kent Ohms (725-2200)

This document is available online at: <https://www.legis.iowa.gov/publications/fiscal/fiscalUpdate>